



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
APRIL 12, 2005

CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, MEGAN GAFFNEY
PUBLIC INFORMATION OFFICE
(212) 637-2600

NYC DEPARTMENT OF INVESTIGATION
EMILY GEST
(212) 825-5931

**EX-DIRECTOR OF HOME HEALTH CARE ORGANIZATION CONVICTED
OF EMBEZZLING OVER HALF A MILLION DOLLARS IN PUBLIC FUNDS**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and ROSE GILL HEARN, the Commissioner of the New York City Department of Investigation ("DOI"), announced today that ALLAN J. FINE, former Executive Director of Etna Home Attendant Service Corporation ("Etna"), pled guilty before United States District Judge KENNETH M. KARAS to charges that he embezzled approximately \$665,780 from Etna from approximately 1997 through November 2001.

Etna was a private, not-for-profit organization located in the Bronx that provided home health care services to elderly and disabled members of the community who were eligible for Medicaid, under a contract with the New York City Human Resources Administration ("HRA"). All of Etna's funding was provided by federal, state, and local governments. FINE was Executive Director of Etna from approximately 1997 until November 2001.

As Executive Director, the Indictment charged, FINE had

full supervisory authority over Etna. Among other things, FINE: (a) oversaw the disbursement of public funds for Etna's operation and administration; (b) entered into contracts on behalf of Etna for supplies, services, and employment; (c) supervised staff who oversaw Etna's home health care attendants; and (d) supervised bookkeepers who maintained Etna's financial records.

FINE was authorized to sign and issue checks drawn on bank accounts maintained by Etna, the Indictment charged, provided these checks were also signed by the Chairman of Etna's Board of Directors. According to the Indictment, among the checks FINE wrote were approximately \$665,780 in unauthorized checks. These included approximately \$485,500 in checks payable to FINE himself above and beyond his authorized salary, which FINE either cashed or deposited into his personal checking account and used to pay his personal expenses; and approximately \$180,280 in checks payable to All City Corporate Transportation Inc. ("All City"), a car service, in return for All City's services for the personal benefit of FINE's former wife.

The Indictment charged that FINE used a stamp bearing both his signature and that of the Chairman of Etna's Board of Directors to sign the unauthorized checks. FINE was charged with having concealed his fraudulent activities by writing the checks payable to himself on an Etna bank account over which he maintained sole control, and by directing All City to send all bills for services to his former wife directly to him.

In his guilty plea, FINE admitted that he caused checks to be issued on Etna's bank accounts totaling between \$400,000 and \$1 million, without authorization, while serving as the Executive Director and Financial Officer of Etna between approximately 1997 and 2001. FINE further admitted that some of these checks had been made payable to himself, and deposited into his personal bank account, and others had been made payable to All City, in return for car services rendered by All City to himself and his ex-wife.

FINE, 62, lives in Nanuet, New York.

FINE faces a maximum prison term of 10 years. Judge KARAS scheduled sentencing for September 16, 2005.

Assistant United States Attorney JENNIFER M. MOORE is in charge of the prosecution.

05-74

###